Agenda – Council – January 25, 2024

Report – Standing Policy Committee on Finance and Economic Development – January 12, 2024

Item No. 2 First Charge on 2024 Capital Budget for Computer Aided Mass Assessment System – Detailed Analysis and Implementation

STANDING COMMITTEE RECOMMENDATION:

On January 16, 2024, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Finance and Economic Development and submitted the following to Council:

1. That expenditures of up to $7,929,000 be authorized prior to the adoption of the 2024 Capital Budget, as a first charge against the General Capital Fund, in accordance with Subsection 288(2) of The City of Winnipeg Charter, to allow award of contracts to ensure timely delivery of the Computer Aided Mass Assessment System.

2. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

Report – Standing Policy Committee on Finance and Economic Development – January 12, 2024

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On January 16, 2024, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Finance and Economic Development and submitted the matter to Council.

STANDING COMMITTEE RECOMMENDATION:

On January 12, 2024, the Standing Policy Committee on Finance and Economic Development concurred in the recommendation of the Winnipeg Public Service and submitted the matter to the Executive Policy Committee and Council.

ADMINISTRATIVE REPORT

Title: First Charge on 2024 Capital Budget for Computer Aided Mass Assessment System - Detailed Analysis and Implementation

Critical Path: Standing Policy Committee on Finance and Economic Development - Executive Policy Committee - Council

AUTHORIZATION

Author	Department Head	CFO	CAO
T. Yanchishyn	T. Austin	C. Kloepfer	M. Jack

EXECUTIVE SUMMARY

This report recommends a first charge on the 2024 capital budget for Computer Aided Mass Appraisal System (CAMA) – Detailed Analysis and Implementation in the amount of $7,929,000 in order to ensure timely award of contract for the system implementation in advance of adoption of the 2024 capital budget. The CAMA project will provide enhanced functionality, a more intuitive user interface, and a seamless integration with existing assessment and taxation systems. The desired outcome of this project includes continued accuracy and efficiency of assessments, and better customer service for the City of Winnipeg.

In accordance with Subsection 288(2) of The City of Winnipeg Charter, the City may award contracts of up to 30% of the capital budget in advance of adoption of the budget. Total first charges of the 2024 capital budget approved to date, plus the recommended additional $7,929,000 will remain under the 30% threshold allowed.

RECOMMENDATIONS

1. That expenditures of up to $7,929,000 be authorized prior to the adoption of the 2024 Capital Budget, as a first charge against the General Capital Fund, in accordance with Subsection 288(2) of The City of Winnipeg Charter, to allow award of contracts to ensure timely delivery of the Computer Aided Mass Assessment System.

2. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

REASON FOR THE REPORT

Council approval is required to make a first charge for an expenditure of capital funds prior to the adoption of the 2024 Capital Budget.

IMPLICATIONS OF THE RECOMMENDATIONS

The approval of a first charge of the Computer Aided Mass Appraisal System would enable the Public Service to award a contract for the system replacement and implementation in January which is critical to keeping the project timeline to allow an implementation date in the second quarter of 2027.

There would be no financial impact to the City as payments will not be made to the vendor before the budget is adopted.

HISTORY/DISCUSSION

The 2023 Capital Budget, adopted on March 22, 2023, included the budget for the first stage of the Computer Aided Mass Appraisal System (CAMA) project in 2023 the amount of $2,831,000, and an additional amount in 2024 of $7,929,000 for the second stage. The first stage included developing the detailed analysis of the system as well as writing the Request for Proposal for the system replacement. The Request for Proposal was issued on July 25, 2023, with bids submitted on August 25, 2023.

The CAMA project will provide enhanced functionality, a more intuitive user interface, and a seamless integration with existing assessment and taxation systems. The desired outcome of this project includes continued accuracy and efficiency of assessments, and better customer service for the City of Winnipeg.

The Assessment and Taxation Department is currently in the evaluation process of the RFP and should be in a position to award the contract to the preferred vendor for the replacement system and implementation of the new CAMA solution prior to the approval of the 2024 capital budget in March 2024. Based on the timeline submitted by the preferred vendor, in order to be able to implement the system during the preferred period of the second quarter of 2027, the Assessment and Taxation Department would need to award the contract by January 31, 2024.

Any delays would create a risk of not being able to implement the system by the second quarter of 2027, and could lead to additional costs with the vendor.

The 2024 capital budget for this project, $7,929,000, remains unchanged from what was forecasted in the 2023 budget process.

Appendix A includes the 2023 capital budget detail sheet for the project.

FINANCIAL IMPACT

Financial Impact Statement **Date:** November 29, 2023

Project Name:
First Charge on 2024 Capital Budget for Computer Aided Mass Assessment System- Detailed Analysis and Implementation

COMMENTS:

There is no financial implication associated with approving a first charge on the 2024 capital budget in the amount of $7,929,000 for this project in advance of adoption of the 2024 capital budget.

Original signed by T. Yanchishyn
Tanis Yanchishyn, CPA, CA
Manager of Taxation and Finance

CONSULTATION

This Report has been prepared in consultation with:
Corporate Finance

OURWINNIPEG POLICY ALIGNMENT

Implementation of a new property assessment system on a timely basis is generally aligned with the goal of Leadership and Good Governance.

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

Consideration was given as to whether this report connects to the Winnipeg Climate Action Plan (CAP), and it was determined that the CAP is not applicable to this specific report.

WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

Consideration was given as to whether this report connects to the Winnipeg Poverty Reduction Strategy (PRS), and it was determined that the PRS is not applicable to this specific report.

SUBMITTED BY

Department: Assessment and Taxation Department
Division: Taxation and Finance
Prepared by: Tanis Yanchishyn
Date: December 4, 2023
File No:

Attachments:
Appendix A – Computer Aided Mass Appraisal System – 2023 Capital Budget Detail Sheet

Assessment and Taxation Department

Project Name: **Computer Aided Mass Appraisal (CAMA) System Detailed Analysis and Implementation**

Standing Policy Committee: Finance and Economic Development

Department: Assessment and Taxation
Project: 1400000223

Service: Assessment, Taxation and Corporate
OurWinnipeg: Leadership and Good Governance

AUTHORIZATION	Previous Budgets	2023 Estimate	FORECAST 2024	2025	2026	2027	2028	Five-Year Forecast Total	Six-Year Total
Project Costs ($000's)	-	2,831	7,929	-	-	-	-	7,929	10,760
Financed by:									
External Debt		2,831	7,929					7,929	10,760

CASH FLOW	2023	2024	2025	2026	2027	2028	Beyond 2028	Total
Project Costs ($000's)	2,831	7,929	-	-	-	-	-	10,760
Financed by:								
External Debt	2,831	7,929						10,760

NET OPERATING IMPACT ($000's)	2023	2024	2025	2026	2027	2028
Operating costs						23
Debt and finance charges	125	616	987	987	987	987
Transfer to General Capital Fund						
Total Direct Costs	125	616	987	987	987	1,010
Less: Incremental Revenue/Recovery	92	258	-	-	-	-
Net Cost/(Benefit)	33	358	987	987	987	1,010
Incremental Full Time Equivalent Positions	-	-	-	-	-	-

Class Estimate: 3

@	2023	2024	2025	2026	2027	2028
Class Estimate	3	5				
Authorization ($000's)						
Preliminary Design	800					
Detailed Design & Construction	2,031	7,929				

Computer Aided Mass Appraisal System (CAMA) is an automated system used by the Assessment and Taxation Department for maintaining property data and valuing all real and business properties within the City of Winnipeg for the purpose of ensuring equitable taxation.

The City of Winnipeg has a legal obligation to create and deliver an annual assessment roll to the City Clerks Department. The legislation further requires that the Assessment and Taxation Department revalue all property through general assessments every 2 years. Updates to ownership records, property characteristics and new value are added to the roll on an ongoing basis.

A replacement system is required to ensure vendor support, system security, compatibility with vendor underpinning technologies, and flexibility to adapt to legislative changes to ensure mass appraisal can be calculated accurately and in a timely manner.

Preliminary design will develop the detailed requirements of the system as well as write the Request for Proposal for the system replacement. Detailed design and construction will implement the replacement system. Implementation will not begin until a class 3 estimate is obtained.

Consultation work of $700,000 was previously funded by the Assessment Automation capital budgets from 2019-2022.

This project may include a maximum of 7 temporary, capital funded full-time equivalent positions in 2023 and future years.

Operating costs in 2028 are for increases in vendor costs. This amount has not been reviewed by Council and is subject to change during future budget processes.